

Your Health Matters

IMPORTANT NEWS ABOUT OPEN ENROLLMENT 2004

A Message from Department of Administration Director



The Arizona Department of Administration will launch a new health care program called Arizona Benefit Options (AzBO) on October 1, 2004. The cornerstone of Arizona Benefit Options will be the State's new medical plans, which will cover approximately 70,000 State employees and retirees.

"Arizona Benefit Options will bring more choice, better value, and a more comprehensive health care program to our members. We have designed a total benefits package tailored specifically for our employees, retirees, and their families. We know that you will be pleased by the increased choice and the tremendous value that we are able to offer through our new program."

Betsey Bayless
Director, Department of Administration

New Name. New Beginning.

It's about **Choice** ... It's about **Value** ... It's about **You**. These are the guiding principles of the Arizona Department of Administration's new Arizona Benefits Options (AzBO) program, which was announced in our first newsletter. This second newsletter lists the AzBO plans and premiums, and provides important information to prepare you for the upcoming Open Enrollment. We are excited about this new program and the improvements that it offers.

Choice: All employees will have an increased choice of medical plans. Employees in Maricopa, Gila, Pinal, Pima, and Santa Cruz counties will have the option of three Exclusive Provider Organizations (EPOs) and two Preferred Provider Organizations (PPOs) — two more plans than are currently offered. Having both an EPO and a PPO plan available in all of the other counties will double the number of plans available to employees residing in those counties. The AzBO plans will feature approx-

Si necesita asistencia en español, por favor llame a la Oficina de Opciones de Beneficio de Arizona (AzBO) al 602-542-5008, o al número gratuito 1-800-304-3687, o reunase con el coordinador de su agencia de beneficio. El AzBO Centro de Servicio al Cliente está preparado para explicarle los detalles de esta carta informativa. Durante el periodo abierto de inscripción, Agosto 2 hasta Septiembre 10, 2004, los centros de apoyo de inscripción estarán disponibles para ayudarle a inscribirse a través de la localización de página AzBO. Su paquete de inscripción abierta, el cual será enviado a su casa a últimos de Julio, incluirá una lista enseñando los días, horas y lugares de los centros de apoyo de inscripción con personal que hablan español.

imately 25% more doctors than are currently offered.

Value: Health care costs are skyrocketing nationally. Last year, they increased by as much as 12% over the previous year. (New Name continues on page 2)

All employees must re-enroll. CIGNA is no longer a provider; therefore, if you do not enroll during Open Enrollment, you will not have health benefits after September 30, 2004.

(*New Name* continued from page 1)

ous year. These national costs are forecast to increase an additional 13% this year. Even though the State experienced these increases, most Arizona State employees will find their costs with AzBO show **no increase or have even declined from last year's premiums**.

- Most employees currently enrolled in an HMO plan will experience **no increase** in premiums for a comparable AzBO option (the EPO).
- Employees in Maricopa and Pima counties with PPO coverage will experience a **30% reduction** in their premiums.
- As importantly, there will be **no increase** for medical or prescription copayments.

AzBO is also offering many improvements to your life insurance options.

- The State has increased your State-purchased basic coverage to \$15,000 for an **increase of 25%**.
- Normally, there are limits to the amount by which you may increase your supplemental life insurance. For this Open Enrollment period, this limit will be waived up to the maximum.

- The maximum supplemental life insurance amount remains at three times your annual base salary. However, the State has increased the maximum dollar amount from \$200,000 to \$300,000.

You: You asked for more options. You wanted better controlled premium costs. We listened and designed this program specifically for our employees, retirees, and their families.

Whenever a change in plan providers is implemented, there is the potential for having to change doctors. Although AzBO has been crafted to minimize that disruption, some employees will have to change providers. To ease this process, AzBO is providing a comprehensive program that will allow you to continue critical treatment programs while transitioning to your new provider. After carefully reviewing the information in this newsletter, if you have any questions or concerns, let us know. We have staff dedicated solely to helping you through this process. Support services are listed in the Open Enrollment section within this newsletter.

OPEN ENROLLMENT

- WHO:** All State employees must re-enroll.
- WHEN:** The Open Enrollment period will begin Monday, August 2, 2004 and will end Friday, September 10, 2004.
- HOW:** You have two options:
1. Use the www.benefitoptions.az.gov website. This option requires a computer with Internet access.
 2. Use the Arizona Benefit Options Interactive Voice Response (IVR) telephone system. This option requires a touch-tone phone.
- Open enrollment is a paperless process. No paper forms will be accepted.
- WHERE:** Employees may use their computers at work or at home. Your Open Enrollment packet will include a list of State-sponsored sites where you will have computer access during normal work hours, should you need to do so.
- SUPPORT:** Arizona Benefit Options will provide the following support services to help you make your benefit choices and enroll successfully.

Open Enrollment 800 Number: You may call 1.800.304.3687 from 8:00 am to 5:00 pm, Monday through Friday, with your open enrollment questions.

Open Enrollment Email Site: You may email questions to the Benefits Office at oequestions@ad.state.az.us at any time.

Benefit Options Website: You may visit our website at www.benefitoptions.az.gov at any time. This website includes detailed information about your options and a comprehensive list of answers to frequently asked questions.

Benefit Fairs: If you would like to meet with representatives of the Benefits Office and/or plan representatives to discuss your benefit questions, there will be two forums:

- In-Person Meetings where you may meet plan representatives in person. Already, 19 such meetings have been scheduled throughout the State during August and September.
- Videoconferencing Meetings where you may talk with providers during a videoconference. A list of the sched-

(*Open Enrollment* continues on page 3)

(*Open Enrollment* continued from page 2)

uled videoconferences is included in this newsletter. Due to seating limitations at the videoconference sites, preregistration is required. You may preregister by calling 602.542.5008 or toll free at 1.800.304.3687 and pressing 14. You may also preregister via email at beneissues@ad.state.az.us.

Enrollment Support Centers: If you need help using the online enrollment system, Benefits Office is providing computer centers throughout the State to assist you. A complete listing of the sites, dates and times of operation will be included in the Open Enrollment packet you will receive in late July. Spanish-speaking staff will be available at selected centers.

OPEN ENROLLMENT PACKETS WILL BE MAILED TO YOUR HOME IN LATE JULY, AFFORDING YOU AMPLE TIME TO REVIEW AND SELECT YOUR BENEFIT OPTIONS BEFORE OPEN ENROLLMENT BEGINS.

Do You Have an Ongoing Medical Condition?

We know that your health issues are a great concern to you. Many employees have ongoing health issues for which they are currently being treated. Transition of Care (TOC) ensures there is no interruption of your health care if, within the past three months, you have been receiving ongoing medical treatment, from a provider, for an applicable medical condition. Examples of medical conditions which may or may not require TOC can be found at the end of this section.

The State has specifically contracted with a team of medical professionals to guide you through this transition. They will work with you on a personal and confidential basis. In most cases, TOC allows you to continue treatment with a non-network practitioner at the time of your coverage in the new plan. The State will provide a reasonable transition period for you to continue your course of treatment. The benefit applies only to treatment provided or ordered by the physician approved by the plan administrator. After this transition period, your medical care must be provided by a network provider.

Your Open Enrollment packet will include a TOC form. You must complete and return this form to apply for TOC support.

If you have concerns or questions about Transition of Care, please call the Client Service Center at 602.542.5008 or toll free at 1.800.304.3687.

Examples of Medical Conditions

Examples of medical conditions likely to benefit from TOC assistance include:

- Second or third trimester pregnancy
- Recent heart attack or stroke
- Cancer requiring surgery, chemotherapy or radiation therapy
- Transplant candidates, unstable recipients or recipients in need of ongoing care due to complications associated with a transplant
- Receiving physical therapy, occupational therapy or speech therapy
- Acute trauma such as a bone fracture
- Home health care, acute rehabilitation, rental of DME (durable medical equipment) such as wheelchairs, oxygen and SVN machines
- Certain psychiatric treatment or substance abuse programs

- Recent surgical procedures still within the global follow-up period of when complications may arise (generally 6-8 weeks)
- Medications which need prior authorization and/or self-injectable medications which will require TOC for uninterrupted service.

Examples of medical conditions which are NOT likely to need TOC assistance include:

- Routine medical exams
- Immunization and health assessments. These usually can be treated successfully by a network provider.
- Surgeries such as removal of lesions, hernia repairs or hysterectomies would be rescheduled with an in-network provider if possible.

MONTHLY MEDICAL PREMIUMS

	SINGLE			FAMILY		
	Your Cost	State Cost	Total Premium	Your Cost	State Cost	Total Premium
<i>Central Region: Maricopa, Gila, Pinal Counties</i>						
RAN/AMN (HMA) EPO	\$25.00	\$312.00	\$337.00	\$125.00	\$718.00	\$843.00
Schaller Anderson Healthcare (SA) EPO	\$25.00	\$312.00	\$337.00	\$125.00	\$718.00	\$843.00
United Healthcare (UHC) EPO	\$35.00	\$312.00	\$347.00	\$135.00	\$718.00	\$853.00
Arizona Foundation (AZF) PPO	\$140.00	\$419.00	\$559.00	\$390.00	\$980.00	\$1,370.00
United Healthcare (UHC) PPO	\$150.00	\$419.00	\$569.00	\$400.00	\$980.00	\$1,380.00
<i>Southern Region: Pima, Santa Cruz Counties</i>						
RAN/AMN (HMA) EPO	\$25.00	\$302.00	\$327.00	\$125.00	\$692.00	\$817.00
Schaller Anderson Healthcare (SA) EPO	\$25.00	\$302.00	\$327.00	\$125.00	\$692.00	\$817.00
United Healthcare (UHC) EPO	\$35.00	\$302.00	\$337.00	\$135.00	\$692.00	\$827.00
Arizona Foundation (AZF) PPO	\$140.00	\$376.00	\$516.00	\$390.00	\$859.00	\$1,249.00
United Healthcare (UHC) PPO	\$150.00	\$376.00	\$526.00	\$400.00	\$859.00	\$1,259.00
<i>Northern Region: Yavapai, Coconino, Navajo, Apache Counties</i>						
RAN/AMN (HMA) EPO	\$25.00	\$420.00	\$445.00	\$125.00	\$988.00	\$1,113.00
Arizona Foundation (AZF) PPO	\$140.00	\$443.00	\$583.00	\$390.00	\$1,068.00	\$1,458.00
<i>Southeastern Region: Graham, Greenlee, Cochise Counties</i>						
RAN/AMN (HMA) EPO	\$25.00	\$420.00	\$445.00	\$125.00	\$988.00	\$1,113.00
Arizona Foundation (AZF) PPO	\$140.00	\$443.00	\$583.00	\$390.00	\$1,068.00	\$1,458.00
<i>Western Region: Mohave, La Paz, Yuma Counties</i>						
RAN/AMN (HMA) EPO	\$25.00	\$420.00	\$445.00	\$125.00	\$988.00	\$1,113.00
Arizona Foundation (AZF) PPO	\$140.00	\$443.00	\$583.00	\$390.00	\$1,068.00	\$1,458.00
<i>Out-of-State</i>						
Beech Street PPO	\$25.00	\$558.00	\$583.00	\$125.00	\$1,333.00	\$1,458.00

MONTHLY DENTAL PREMIUMS

	SINGLE			FAMILY		
	Your Cost	State Cost	Total Premium	Your Cost	State Cost	Total Premium
Delta Dental	\$12.10	\$15.40	\$27.50	\$45.90	\$43.50	\$89.40
Employers Dental Services (EDS)	\$3.54	\$6.18	\$9.72	\$16.72	\$11.50	\$28.22
MetLife Dental	\$12.10	\$15.40	\$27.50	\$42.46	\$43.50	\$85.96
Fortis Dental	\$4.68	\$6.18	\$10.86	\$18.02	\$11.50	\$29.52

MONTHLY VISION PREMIUMS

Avesis Vision		SINGLE		FAMILY
Your Cost		\$6.34		\$17.18

MONTHLY PREMIUMS - SUPPLEMENTAL LIFE PLAN

Your Age	Your Cost per \$5,000 of Coverage
29 and under	\$0.50
30-34	\$0.60
35-39	\$0.70
40-44	\$1.20
45-49	\$1.60
50-54	\$2.60
55-59	\$3.70
60-64 & 65-69	\$6.70
70+	\$10.60

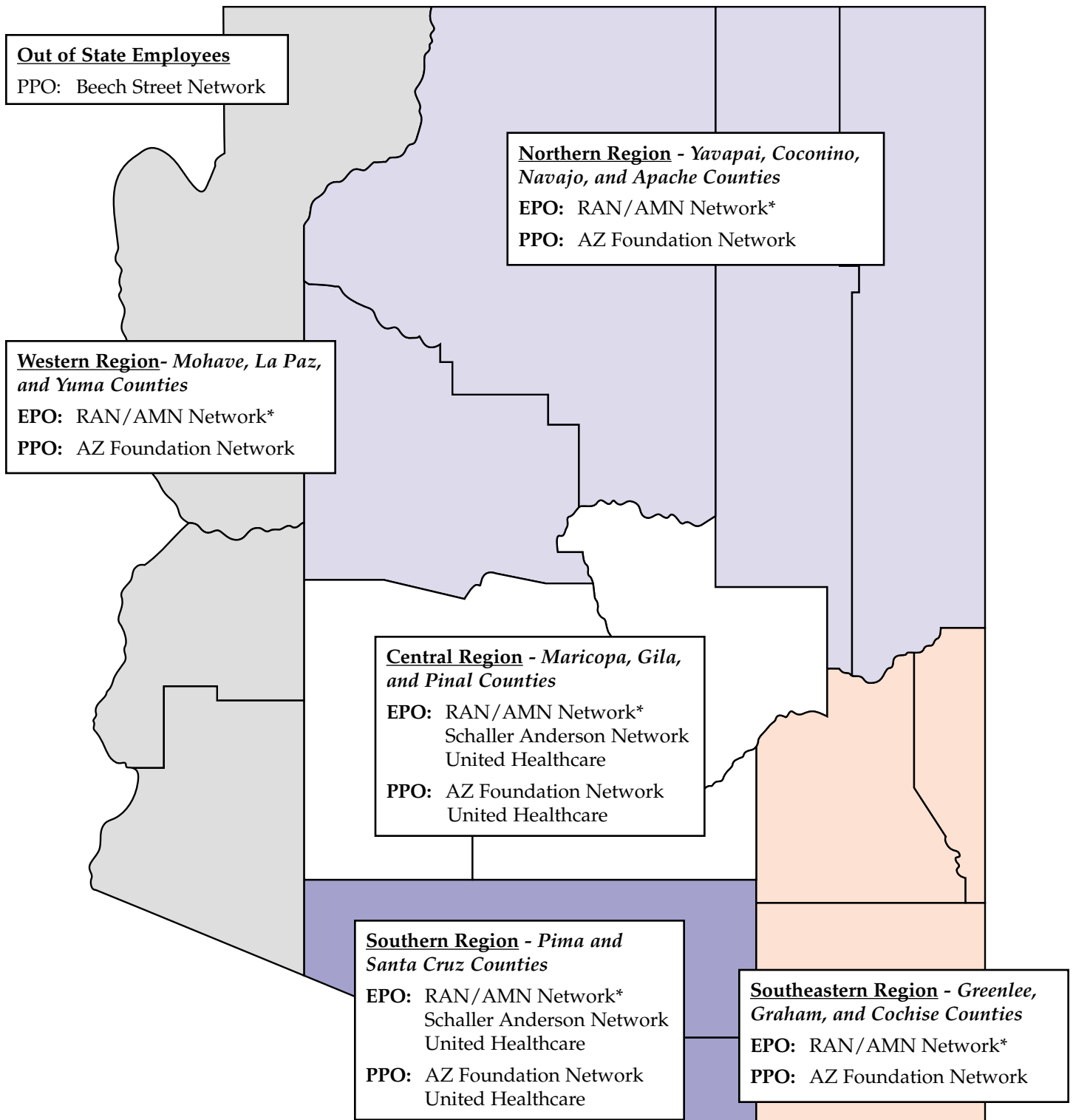
MONTHLY PREMIUMS - DEPENDENT LIFE PLAN

Coverage Amount	Your Cost
\$2,000	\$0.94
\$4,000	\$1.88
\$6,000	\$2.82
\$12,000	\$5.64
\$15,000	\$7.06

BIWEEKLY PREMIUMS - SHORT-TERM DISABILITY PLAN

Your Cost
\$0.89 per \$100 of your biweekly base salary. Biweekly premium = (Biweekly base salary/100) x \$0.89 Example: Biweekly base salary = \$1,000; Biweekly premium = (\$1,000/100) x \$0.89 = \$8.90 per pay period

Health Plans for State Employees



Definitions:

Exclusive Provider Organization (EPO): Provides services just like an HMO. You may be asked to select a primary care physician who will organize all of your care.

Preferred Provider Organization (PPO): Provides flexible access to care without a primary care physician.

Frequently Asked Questions

Since June 4, 2004, the Benefit Options Team has been responding to your emails and phone calls regarding issues and questions you have with the new program. The questions and answers below are some of the most commonly asked. For a complete list, please check our website, www.benefitoptions.az.gov.

In the last newsletter, it was reported there was a 30% reduction in PPO premiums; however, I live in a rural county. I do not see this reduction.

Members living in Maricopa and Pima counties previously had the choice of an HMO or PPO plan. Because of this choice, the PPO plans reflected the true cost of the PPO plan. The 30% reduction in PPO premiums, stated in the first newsletter, applies only to the PPO plans in Maricopa and Pima counties.

In contrast, the State was previously unable to offer an HMO in the rural areas. Therefore, the PPO was offered for the HMO premium rate, with the State paying the additional premium. The State provided this subsidy because of the lack of choice in rural areas. The State is now able to offer an EPO, which functions like an HMO, statewide. The premium for the EPO plan is \$25 for single coverage and \$125 for family coverage, the same rate that rural members previously paid for the PPO plan. The premiums for the PPO plan in rural areas have increased to reflect the true cost of the plan without a State subsidy.

I want to continue with my current doctor. I called her office to see if my doctor accepts Arizona Benefit Options. Her staff member told me the office had never heard of Benefit Options. What do I do now?

Arizona Benefit Options applies to the comprehensive benefits program, not to the medical plans. When calling your doctor's office, you should ask if her office is a member of any of the available medical plans (i.e., Arizona Foundation, RAN/AMN, Schaller Anderson Healthcare, United Healthcare or Pacificare) being offered in the AzBO.

I currently have the Point of Service (POS) plan. Why is it not offered this year?

Due to low enrollment in the POS plan, this option was eliminated with the new program. The flexibility of the EPO plan will allow you to experience the same features you enjoyed with the POS plan for a lower premium rate.

I've been with my physician for 10 years. I do not see his name on the website search engine. What do I do?

If your physician is with a CIGNA clinic, you will need to choose a new primary care physician. However, if your physician does not work at a CIGNA facility, you may contact the ADOA Benefits Office at 602.542.5008 or 1.800.304.3687 and provide the name and address of your physician to the Benefits staff. This information will be forwarded to the available networks for possible recruitment. Continue to check www.benefitoptions.az.gov for updates and new physician listings. You may also have your physician contact our office if he or she is interested in becoming a participating provider in the new program.

I live in a small town and do not have a Walgreens available, how do I fill my prescriptions?

You are not required to go to a Walgreens store to obtain your medications. Walgreens Health Initiatives, our pharmacy plan, contracts with grocery stores and independent pharmacies throughout Arizona. In fact, Walgreens Health Initiatives is the largest pharmacy network in the country. Please check our website at www.benefitoptions.az.gov to search for a participating pharmacy near you.

Pharmacy Benefits—Better Than Ever

Pharmacy

The Walgreens Health Initiatives (WHI) network consists of more than 54,000 participating chain and independent pharmacies nationwide. There are approximately 900 member pharmacies within the State of Arizona including but not limited to:

Albertsons	Fry's	Smith's
Bashas'	Kmart	Target Pharmacy
CVS Pharmacy	Longs Drugs	United Drugs
Costco	Osco Drugs	Vons
Eckerd	Rite Aid	Wal-Mart
Food 4 Less	Safeway	Walgreen's
Food City	Sam's Club	Winn-Dixie

For a complete list, please refer to our website, www.benefitoptions.az.gov to search for a participating pharmacy near you.

(Pharmacy Benefits continues on page 7)

Arizona Benefit Options

Videoconference Broadcast Sites

County/ Site	August 5 10:00 am–11:00 am	August 10 11:30 am–12:30 pm	August 18 9:00 am–10:00 am	August 24 12:00 pm–1:00 pm	September 1 8:00 am–9:00 am
Cochise/ Cochise County Courthouse			100 Quality Hill #104 Bisbee		100 Quality Hill #104 Bisbee
Coconino/ Coconino Health Services	467 Vista Avenue Page				
Greenlee Greenlee Courthouse	5th and Webster Clifton				
LaPaz/ LaPaz County Courthouse	1316 Kofa Parker	1316 Kofa Parker		1316 Kofa Parker	
Maricopa/ Judicial Education Center	541 E Van Buren, Suite B4 Phoenix			541 E Van Buren, Suite B4 Phoenix	
Maricopa/ State Courts Building		1501 W Washington, #119 Phoenix	1501 W Washington, #119 Phoenix	1501 W Washington, #119 Phoenix	1501 W Washington, #119 Phoenix
Maricopa/ Goodyear City Court	986 S Litchfield Rd Goodyear			986 S Litchfield Rd Goodyear	
Mohave/ Bullhead City Municipal	1255 Marina Blvd Bullhead City	1255 Marina Blvd Bullhead City	1255 Marina Blvd Bullhead City	1255 Marina Blvd Bullhead City	1255 Marina Blvd Bullhead City
Navajo/ Holbrook Probation	100 E Carter Dr, S Hwy 77 Holbrook	100 E Carter Dr, S Hwy 77 Holbrook	100 E Carter Dr, S Hwy 77 Holbrook	100 E Carter Dr, S Hwy 77 Holbrook	100 E Carter Dr, S Hwy 77 Holbrook
Navajo/ Snowflake Probation	124 S 2nd West Snowflake	124 S 2nd West Snowflake	124 S 2nd West Snowflake	124 S 2nd West Snowflake	124 S 2nd West Snowflake
Navajo/ Winslow Probation	605 E 3rd Street Winslow				
Pima/ Pima County Superior Court	110 W Congress, Rm 945 Tucson	110 W Congress, Rm 945 Tucson			
Pima/ Pima County Adult Probation			2695 E Ajo Way Tucson		2695 E Ajo Way Tucson
Pinal/ Pinal County Courthouse	100 N Florence St Florence	100 N Florence St Florence	100 N Florence St Florence	100 N Florence St Florence	100 N Florence St Florence
Santa Cruz/ Santa Cruz Probation	2251 N Grand Ave Nogales		2251 N Grand Ave Nogales	2251 N Grand Ave Nogales	
Yavapai/ Yavapai County Courthouse	3rd Floor Jury Assembly Prescott			3rd Floor Jury Assembly Prescott	

(*Pharmacy Benefits* continued from page 6)

Mail Order Prescriptions

WHI will also provide a mail order service for those members who prefer the convenience of mail order or for members who need monthly medications for chronic or long-term health conditions, such as high blood pressure or diabetes. The mail service pharmacy is located in Tempe, Arizona to ensure there are no delays in the shipment of your medications. You may complete the registration form and submit your prescriptions beginning on September 20, 2004. WHI must receive a new prescription from your provider before mail order can be initiated.

Treatment without Referrals— Exclusive Provider Organizations (EPOs)

The Benefit Options team knows it is inconvenient to obtain an authorization from your primary care physician (PCP) if you want to see a specialty physician. Therefore, we are offering EPO plans with greater flexibility. Although you will still be required to have a PCP, you

will not need to obtain your PCP's referral if you wish to see an in-network specialist such as a dermatologist or orthopedist. However, out-of-network treatment will not be available in the EPO plan.

Is My Doctor in a Plan? Is My Hospital? Where Do I Get My Prescriptions?

Beginning in July, you will have two ways of determining which plan includes your current doctor or hospital.

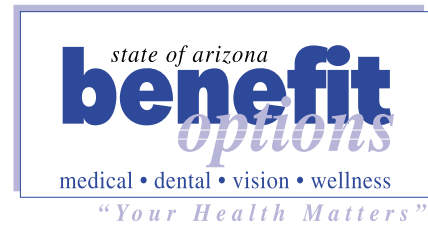
Our website, www.benefitoptions.az.gov, will include a search feature that will allow you to identify the AzBO plans to which your doctor or hospital belongs.

Alternatively, you may call the Client Services Center to obtain this same information.

Should you find that your doctor and/or hospital are not already in any of the plan offerings, you may ask the Benefits staff to attempt to add them to one of the network offerings. How? Email your

doctor's name and office address to beneissues@ad.state.az.us. The Benefits staff will attempt to have your doctor and/or hospital added to one of the network offerings.

To find the pharmacy closest to you that belongs to the Walgreens Health Initiatives network, you may use the pharmacy search function on the website or call the Client Services Center.



www.benefitoptions.az.gov

ADDRESS SERVICE REQUESTED

Important News About Open Enrollment!

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